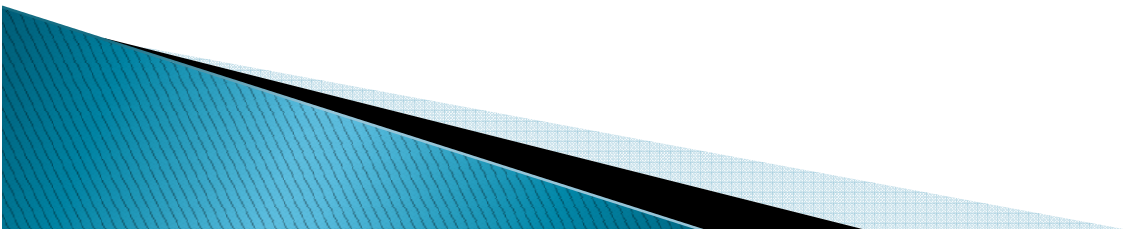








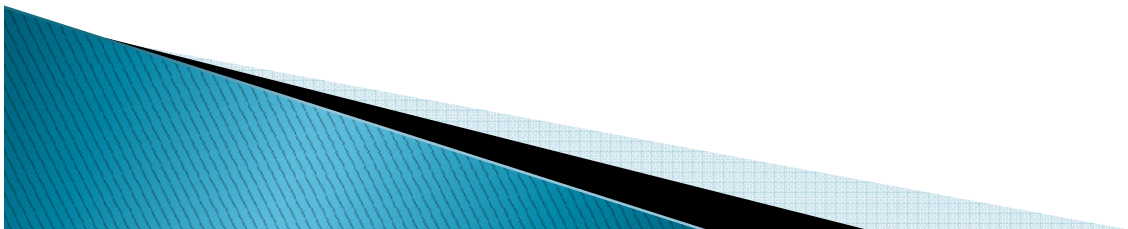
# CITY OF COTTONWOOD

Fiscal Year 2012 Budget  
Round Table Goal Setting Workshop  
April 12, 2011

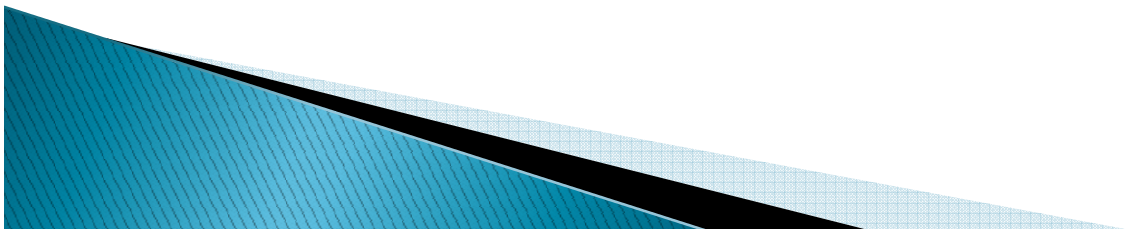


# Topics of Discussion




-  Status of Major Revenue Sources
-  Compensation Options for FY 2011 & FY 2012
-  Water & Sewer Rates
-  Planning For The Future
-  Planning for Hard Times
-  Strategic Goals

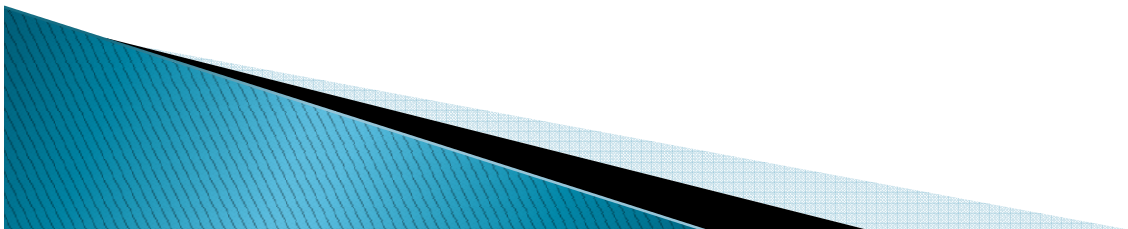


# Status of Major Revenue Sources



# Status of Major Revenue Sources

-  Major revenue sources update
-  Historical data and future projections
-  Legislative hurdles to State Shared Revenues

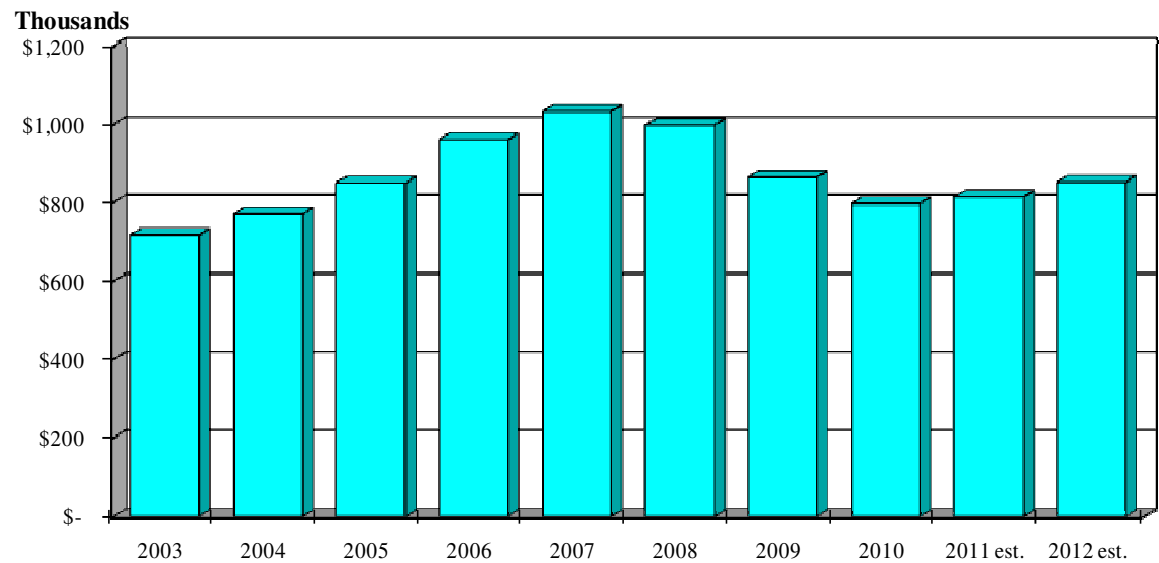




# State Shared Revenue Sales Tax

**State Shared Sales Tax  
10 Year Comparison**

Fiscal Year Ending 6/30	Amount	% inc. / dec
2003	717,869	15.15%
2004	772,232	7.57%
2005	850,346	10.12%
2006	961,036	13.02%
2007	1,032,214	7.41%
2008	998,077	-3.31%
2009	864,056	-13.43%
2010	796,966	-7.76%
2011 est.	814,742	2.23%
2012 est.	852,270	4.61%

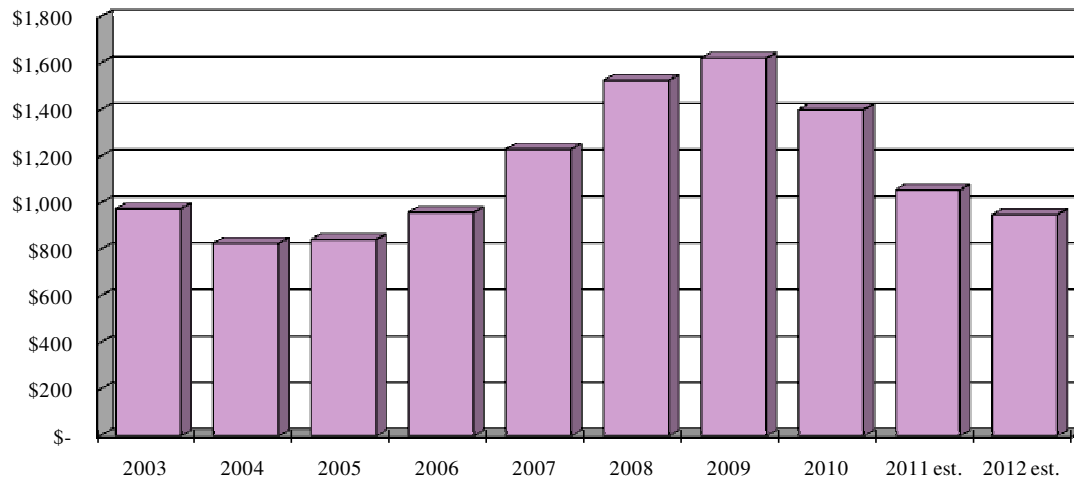


Fiscal Years Ending 06/30

# State Shared Revenue Income Tax

**State Shared Income Tax  
10 Year Comparison**

Thousands



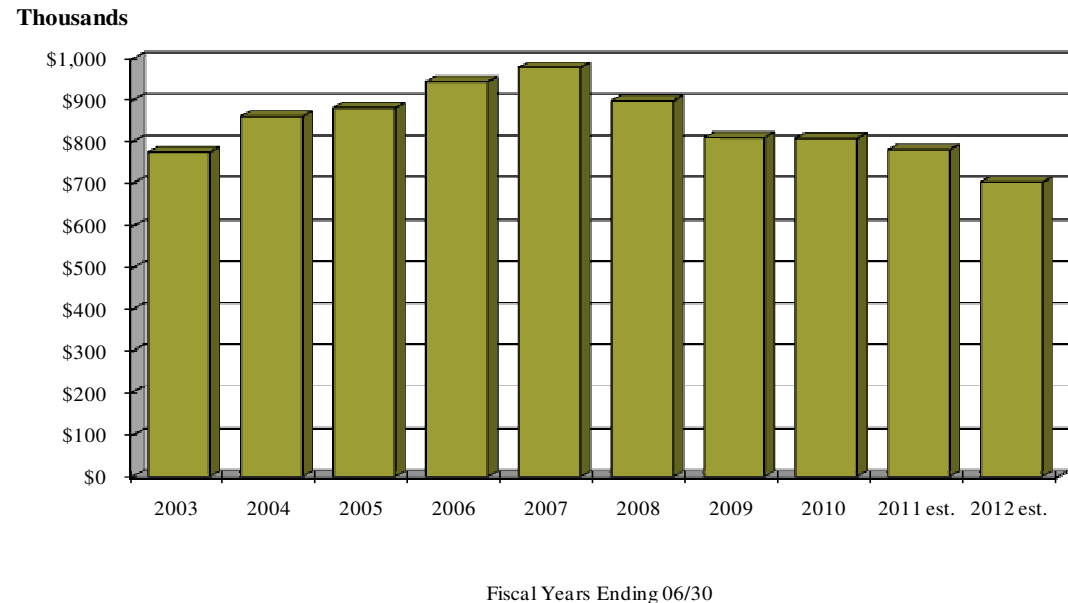
Fiscal Year ending 06/30

Fiscal Year		
Ending 6/30	Amount	% inc. / dec
2003	976,932	22.88%
2004	827,665	-15.28%
2005	843,803	1.95%
2006	961,036	13.89%
2007	1,232,997	28.30%
2008	1,528,328	23.95%
2009	1,623,403	6.22%
2010	1,402,140	-13.63%
2011 est.	1,056,875	-24.62%
2012 est.	950,814	-10.04%

# State Shared Revenue Highway User Revenue Fund (HURF)

Fiscal Year Ending 6/30	Amount	% inc. / dec
2003	775,795	14.13%
2004	862,813	11.22%
2005	882,656	2.30%
2006	943,333	6.87%
2007	979,659	3.85%
2008	899,089	-8.22%
2009	809,827	-9.93%
2010	807,864	-0.24%
2011 est.	781,725	-3.24%
2012 est.	702,707	-10.11%

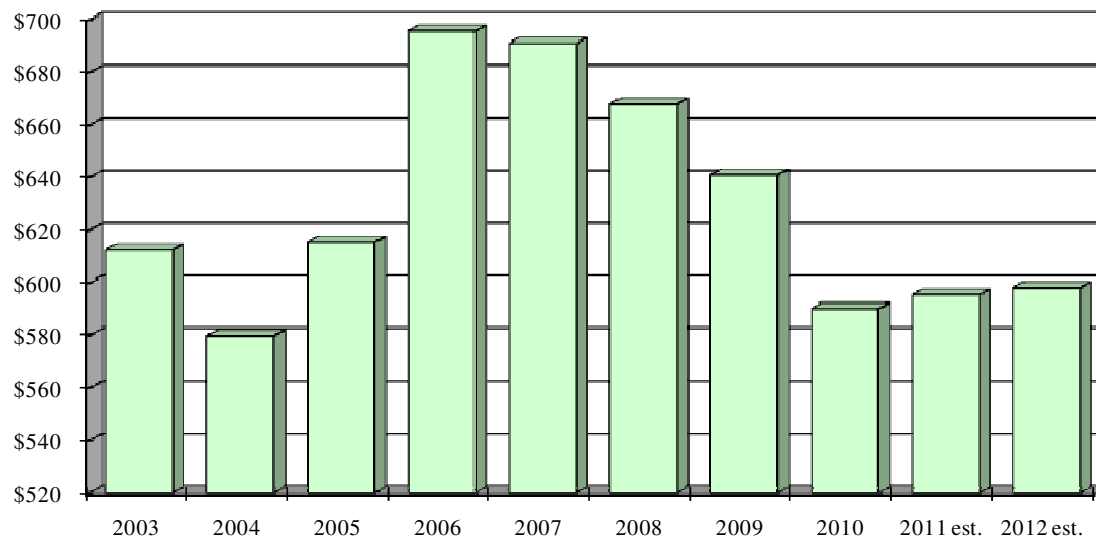
**Highway User Revenue Fund - HURF  
10 Year Comparison**



# State Shared Revenue Motor Vehicle License Tax

**Motor Vehicle In-Lieu  
10 Year Comparison**

Thousands

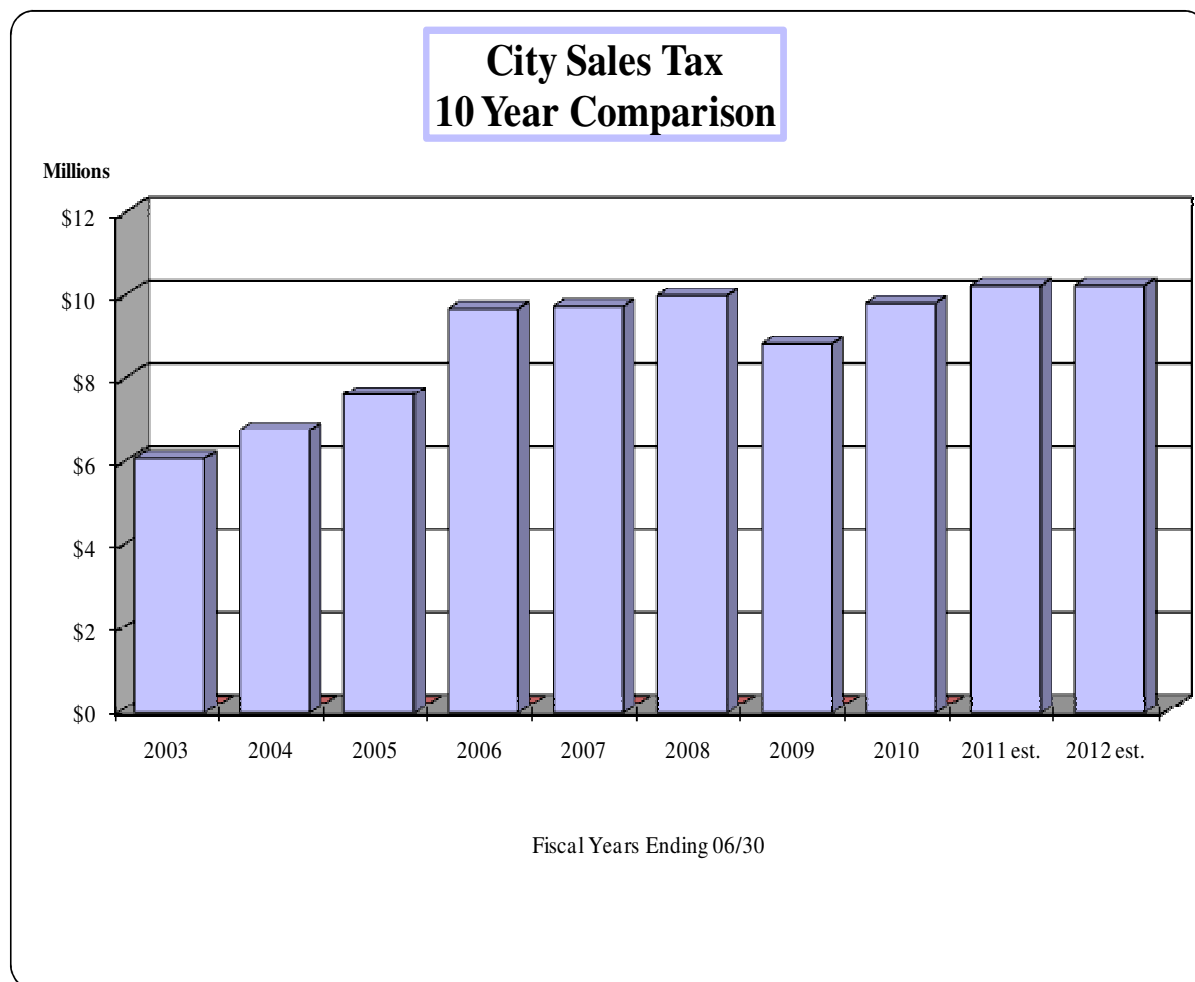


Fiscal Years Ending 06/30

Fiscal Year		
Ending 6/30	Amount	% inc. / dec
2003	612,487	20.20%
2004	579,864	-5.33%
2005	615,579	6.16%
2006	695,836	13.04%
2007	690,992	-0.70%
2008	667,929	-3.34%
2009	640,992	-4.03%
2010	590,201	-7.92%
2011 est.	595,439	0.89%
2012 est.	598,165	0.46%

# Local Sales Tax

Fiscal Year		
Ending 6/30	Amount	% inc. / dec
2003	6,176,084	6.26%
2004	6,856,170	11.01%
2005	7,703,224	12.35%
2006	9,798,510	27.20%
2007	9,853,864	0.56%
2008	10,102,433	2.52%
2009	8,943,592	-11.47%
2010	9,925,086	10.97%
2011 est.	10,333,455	4.11%
2012 est.	10,334,005	0.01%



# State Legislation Issues



## Rental Tax



- Trying to require voters to approve any hike on the rental tax



## Utility Collections



- Responsibility will be with contracted individual



- Cottonwood requires agreement with landlords



## Effects of HURF raid on Cottonwood



- Cottonwood lost \$67,002



- FY 2012 should be \$769,709



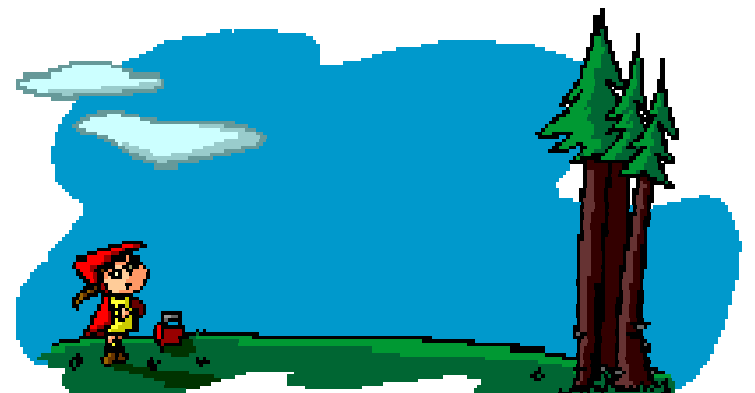
- New estimate is \$702,707



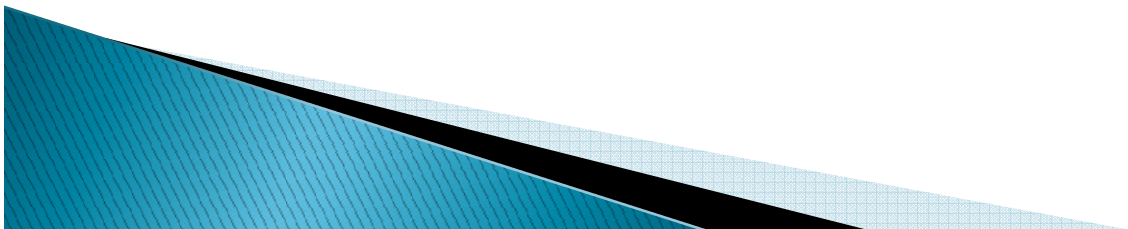
## Impact Fees



- Who knows????????????????






# Compensation Options for FY 2011 & FY 2012






# Compensation FY 2011



## Merit %

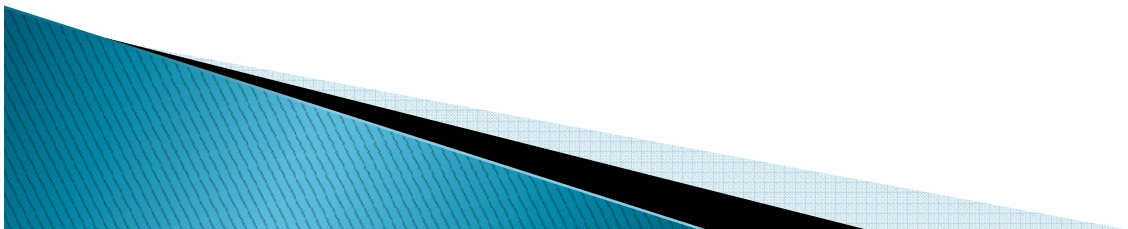
-  No proration
-  Increase to base
-  Using anniversary date

## Merit %

-  No proration
-  No increase to base
-  Using anniversary date

## COLA to base only

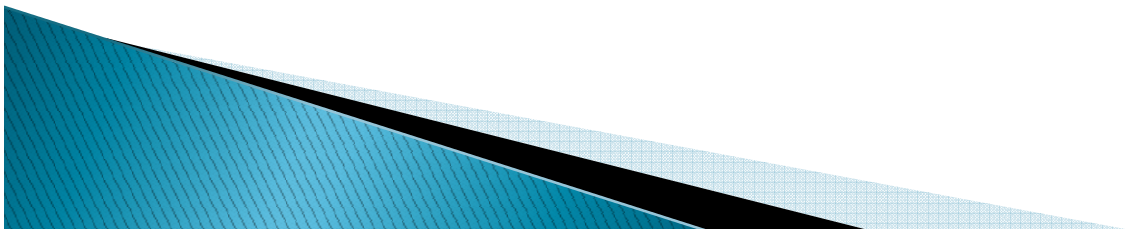
-  COLA going into January 2010 was 0%
-  First time since automatic COLAs were placed into effect in 1975 that SS had no increase








# Compensation FY 2011 - cont.

- % across the board
  - Using an anniversary date
  - Everyone gets the same % for a full year
- \$ across the board
  - Prorate using anniversary date
  - Everyone gets the same \$ amount
- One time payout prior to 06/30/2011






# Compensation FY 2012



## Merit %

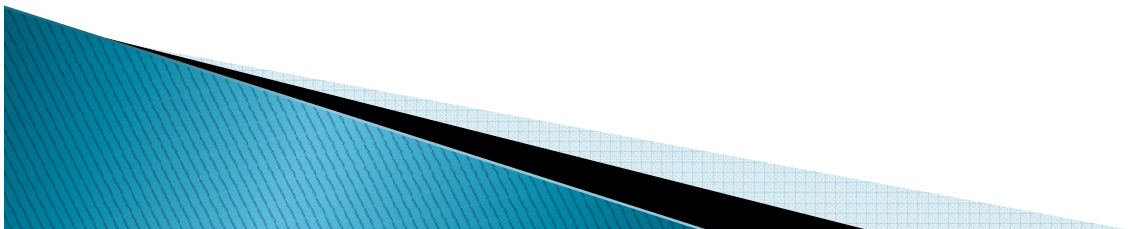
-  No proration
-  Increase to base
-  Using anniversary date

## Merit %

-  No proration
-  No increase to base
-  Using anniversary date

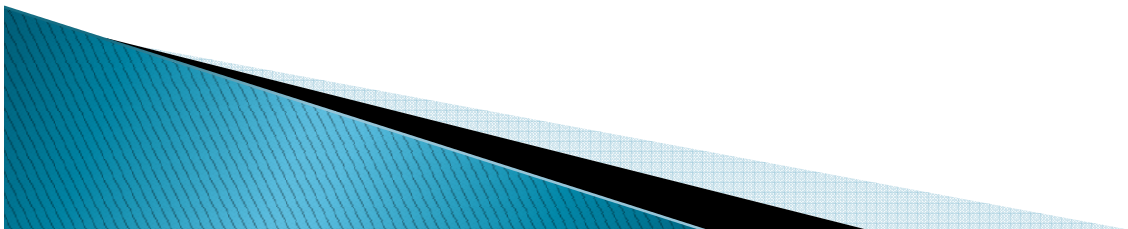
## COLA to base only

-  COLA going into January 2010 was 0%
-  First time since automatic COLAs were placed into effect in 1975 that SS had no increase

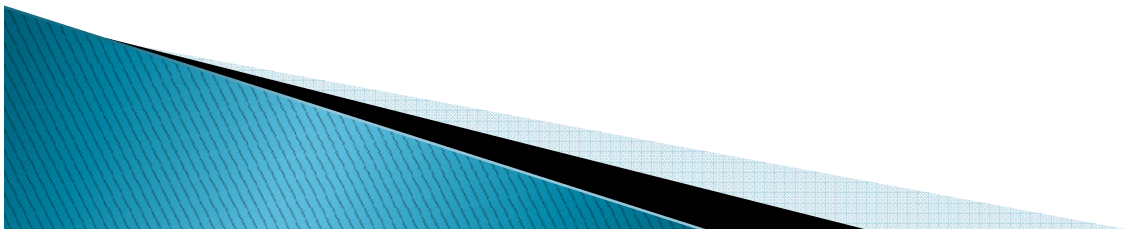


# Compensation FY 2012 - cont.

- % across the board
  - Using an anniversary date
  - Everyone gets the same % for a full year
- \$ across the board
  - Prorate using anniversary date
  - Everyone gets the same \$ amount
- One time payout after 06/30/2011



# Water and Wastewater Rates



# Current Water Rate Structure

Current Rate Structure		
5/8"		\$18.36
1"		\$30.24
1 1/2"		\$61.56
2"		\$97.20
3"		\$194.40
4"		\$302.40
6"		\$615.60







- Still have capital needs
- O&M cost increases
- Bond covenants

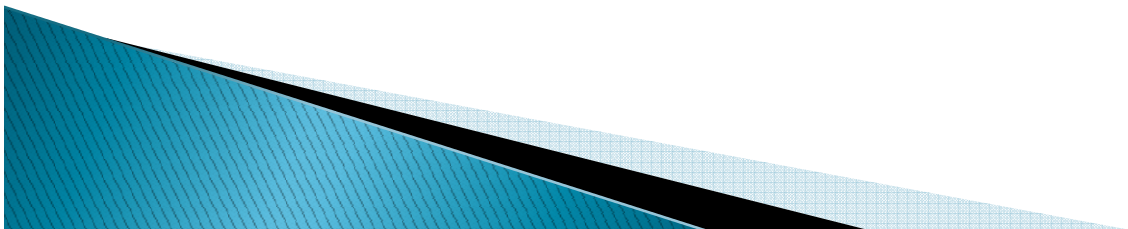
- Purchased 2004 & 2006
- Raised rates this FY
- Lowest rates in the area

One Additional Block Added		
0 – 1,000		
1,001 – 4,000		\$2.90
4,001 - 10, 000		\$3.19
10001 – 20,000		\$4.55
20,000 +		\$6.48
Water Resource Development		\$4.32
YC Water Advisory		\$0.35
Gila River Adjudication		\$0.44
Water Conservation		\$0.27
Total Development Fee		\$5.38

# Current Wastewater Rate Structure

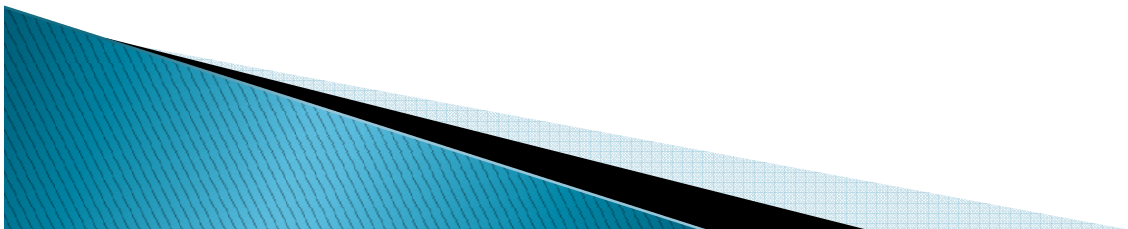
Charge Description	Amount
Residential	\$16.75
Commercial / Industrial / Institutional	
Administrative Charge	\$3.75
Depreciation/M&O (per 1000)	\$2.60
Monthly minimum	\$16.75

-  Last rate increase was in FY 2002
-  No longer supported by sales tax
-  Paid off all debt 07/01/2007
-  Still has capital needs
-  Lost money every year since FY2008
-  Lowest rates in the area

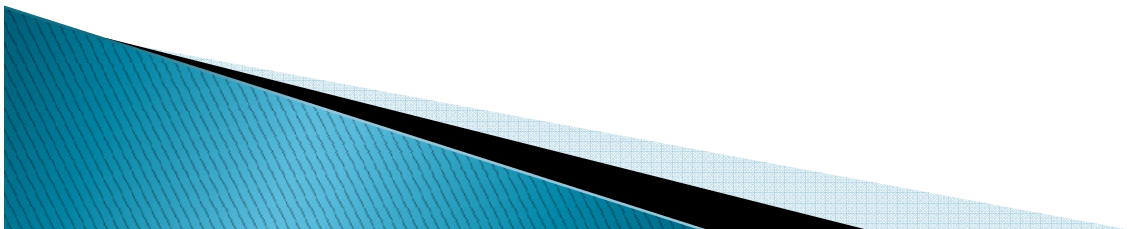


# Grounds for a Rate Increase

- O&M short fall
- Need for future capital improvements
- Meeting minimum reserves
- Catastrophic events reserves
- Bond Covenants



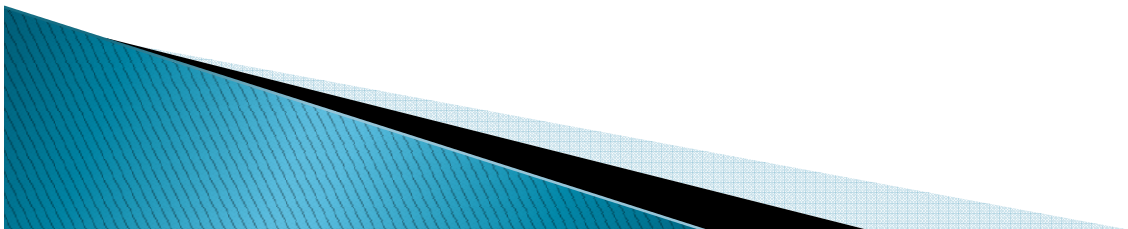
# Planning for the Future





# Planning for the Future Growth Sustainability Study

- \$150,000 - FY 2012 budget allocation
- Develop scope of work in FY 2012
- Implementation of plan
- Affect of Impact Fees



# Planning for the Future Compensation Study

- \$35,000 - FY 2012 budget allocation

- Things to look at

- Job Descriptions

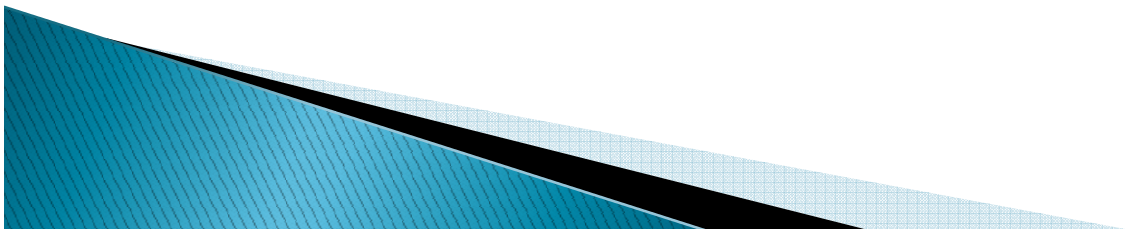
- Salary Ranges

- Merit program (-Compa Ratio)

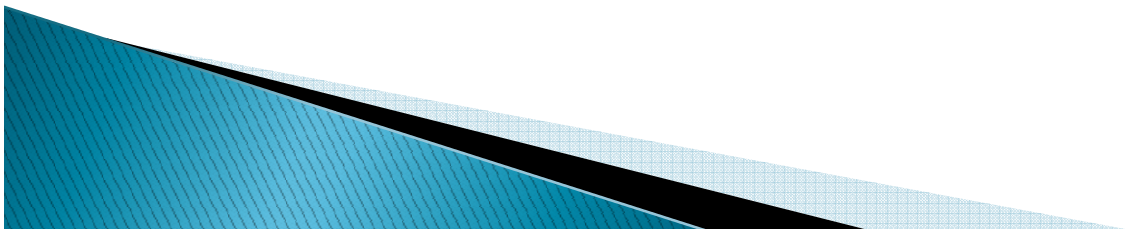
- Ceiling Limits

- Compression







- Market

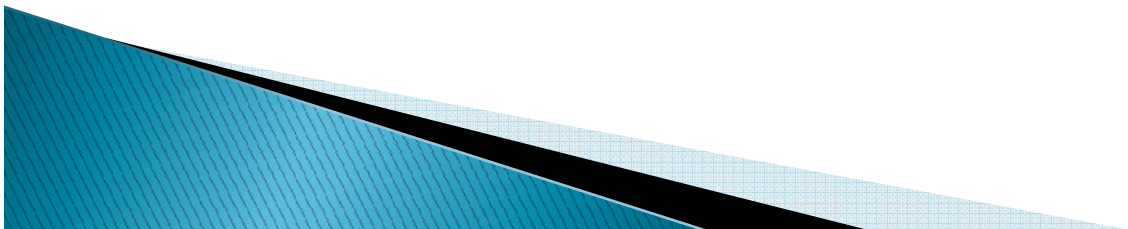


# Planning for Hard Times



# Fund Balance Policy

-  Adopted policy on December 7, 2010
-  Describes five categories of fund balances
-  Provides for Fund Balance Ranges
-  Surplus options
-  Shortfall remedies
-  Does not provide for uses of fund balance



# Use of Fund Balance

## Recommended use of Fund Balance


-  One time expenditures

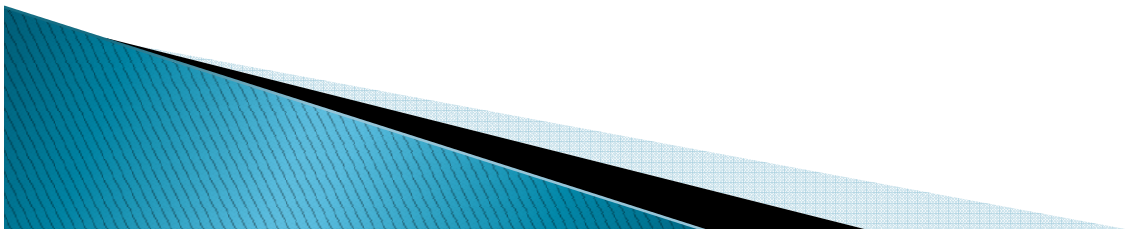
-  Capital purchases

-  Emergencies such as natural disasters

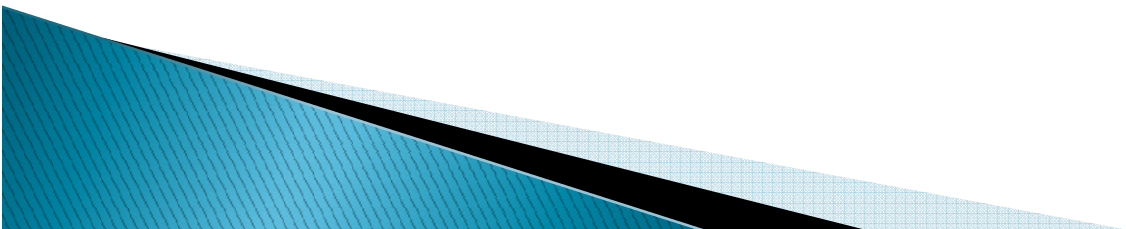
-  Maintain levels of service

## Non-recommended use of Fund Balance

-  funding on-going expenditures without a substantial recovery strategy could create an even more severe situation when the reserves run out



# Strategic Goals



# Lofty Goals



Improve Old Town Jail parking lot and Trail Head



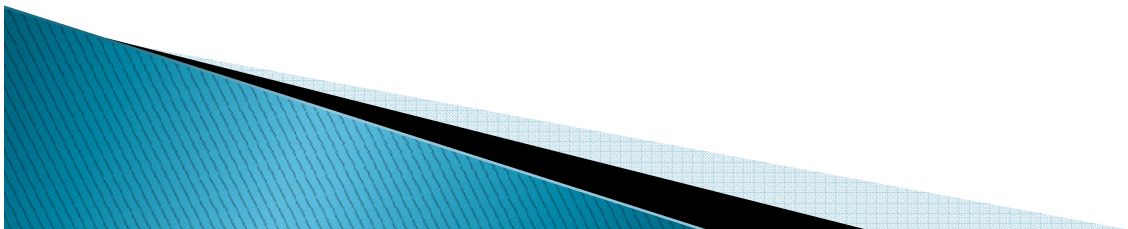
Purchase of Foxy Fashion vacant land to increase size of Old Jail parking area



Purchase of vacant land behind Orion's Bread Company for future Old Town parking



Demolition of old Parks and Recreation and Parks Maintenance Buildings



# Lofty Goals - cont.

## New City Hall

 Rough Cut (?)


 Design and Construction

 Furnishings

 Demolition of Old Buildings

 City Hall

 BAC

 Sub-station

 Town Square Design and Construction






 Regional Communications Center

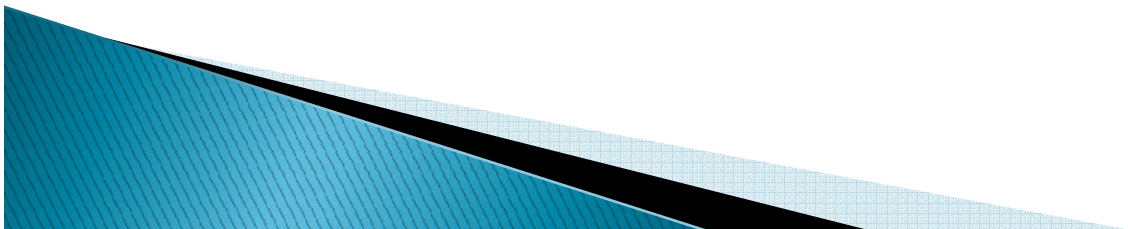
 Cost of Growth Study










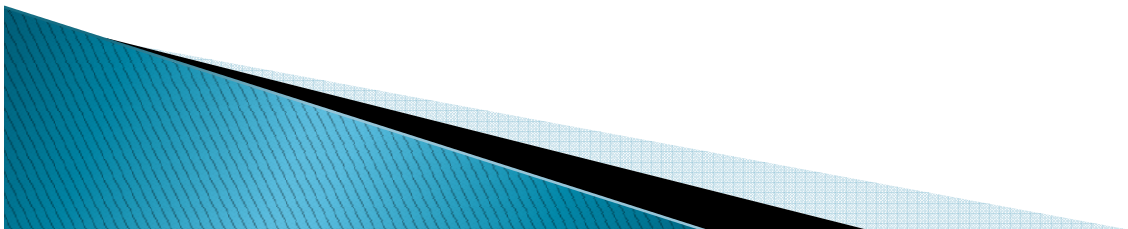
## Lofty Goals - cont.

-  Employee Compensation Study
-  Brand Development Study
-  Parks and Recreation Needs Study
-  Soccer/Football Fields at Riverfront Park
-  Bicycle Plan 1<sup>st</sup> Phase



# Lofty Goals - cont.

-  Trails Plan 1<sup>st</sup> Phase
-  2<sup>nd</sup> Fire Station at Hwy 89A and Cornville Rd.
-  Bella Montana Water Reclamation Plant
-  Civic Center Rehabilitation
-  Christmas Light Display Expansion



# Questions

